GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1116
ANSWERED ON:04.12.2015
Growth Rate
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Will the Minister of FINANCE be pleased to state:

(a) the details of projected/estimated Gross Domestic Product (GDP) growth rate of India and the States respectively during the financial year 2015-16;
(b) whether there has been a lopsided development in the country with Northern States lagging behind Southern and Eastern States in terms of development, if so, the details thereof and the reasons therefor along with the steps taken by the Government to bridge this gap;
(c) the world ranking of India compared to other countries in terms of GDP growth rate during the above period;
(d) whether the Government envisages the highest growth rate among G-20 economies during the financial year 2015-16, if so, the details thereof and the justifications therefor; and
(e) the status of per capita domestic and foreign debt of India as on date vis a vis GDP growth rate along with the steps/measures taken by the Government to improve the situation?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI JAYANT SINHA)

(a) The Reserve Bank of India (RBI) in their Fifth- Bi-monthly Monetary Policy Statement, 2015-16, released on December 1, 2015 has projected that the growth of India in 2015-16 is expected to be 7.4 per cent. The Government has not made growth projections of gross domestic product of states for the year 2015-16.
(b) During the period 2005-06 to 2013-14, the average growth rate in State domestic product at constant (2004-05) prices achieved by the Northern States, Southern States and the Eastern States were 7.7 per cent, 8.2 per cent and 7.3 per cent respectively, indicating that the growth in the Northern States during the nine years mentioned above was comparable to that of the Southern and Eastern States. This is as per the data furnished by the Directorates of Economics and Statistics of respective States. The Northern States/Union Territories included above are: Haryana, Himachal Pradesh, Jammu & Kashmir, Punjab, Rajasthan, Uttar Pradesh, Uttarakhand, Delhi and Chandigarh. The Southern States/Union Territories considered above include: Andhra Pradesh, Telangana, Karnataka, Kerala, Tamil Nadu and Puducherry. The Eastern States/Union Territories considered above include: Bihar, Jharkhand, Odisha, West Bengal, Sikkim and Andaman & Nicobar Islands.

(c) As per the database of the World Economic Outlook (WEO-October 2015) maintained by the International Monetary Fund (IMF), the projected growth rate of India stands at 7.3 per cent for the year 2015. Among the list of 188 countries for which projections have been made in the aforesaid database, India's projected growth stands at the 9th position. The countries that are projected by the IMF to record higher growth rates than India in the year 2015 are much smaller in size than India.

(d) As per the database of the World Economic Outlook (WEO-October 2015) maintained by the International Monetary Fund (IMF), the projected growth rate of India for the year 2015 is the highest among the G 20 economies. The resilience of the Indian economy, coupled with the reform initiatives of the Government, has contributed to the positive growth outlook for India.

(e) The per capita internal debt and other liabilities of the Central Government as on 31st March 2015 (Revised Estimates) was Rs. 48021/-. Based on the information furnished in the Union Budget 2015-16, it is estimated that the per capita external debt of the Central Government was Rs. 1533/- in March 2015. The provisional estimate of the growth rate of GDP at constant (2011-12) market prices in 2014-15 was 7.3 per cent. The Government has been following a path of fiscal consolidation which is likely to contain the internal debt within manageable limits. The external debt management policy followed by the Government emphasizes monitoring of long and short term debt, raising sovereign loans on concessional terms with long term maturities, regulating external commercial borrowings through end-use and all-in-cost restrictions and rationalizing interest rates on Non-Resident Indian (NRI) Deposits. As a result, external debt has remained within manageable levels.

The Government of India has taken various initiatives to boost growth of the economy which, inter alia, include; fillip to manufacturing and infrastructure through fiscal incentives and concrete measures for transport, power, and other urban and rural infrastructure; reforms and liberalization of foreign direct investment in major sectors; Skill India and Digital India initiatives; "Make in India" initiative along with the attendant facilitatory measures for a more conducive environment for investment; financial inclusion though 'Pradhan Mantri Jan DhanYojana' which also helps to strengthen banking and insurance services; introduction of 'Gold Monetization Schemes' to mobilize the gold held by the household and institutions for productive use and to reduce the reliance on the import of the gold; launching of Micro Units Development and Refinance Agency Ltd. (MUDRA), responsible for developing and refinancing through a Pradhan Mantri MUDRA Yojana; boost to agricultural sector with focus on micro irrigation, watershed development, soil conservation and credit, and, various measures to improve clarity and transparency in economic policy-making. Fiscal reforms with emphasis on consolidation, expenditure reforms and rationalization of tax structure, including initiatives on Goods and Services Tax, are also

expected to contribute to higher growth.